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ORIGINAL

REDACTED - FOR PUBLIC INSPECTION

December 1, 2005

EX PARTE

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VIA HAND DELIVERY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
Room TW B-204
445 12th Street, S.W.
Washington, DC 20554

Federal Communications Commission
Office of Secretary

Re: *In the Matter of Petition of Qwest Corporation for Waiver of Depreciation
Regulation Pursuant to 47 C.F.R. § 1.3 - WC Docket No. 05-259¹*

Dear Ms. Dortch:

On October 20, the undersigned, along with Jerome Mueller and Marti Gude, also of Qwest, met with Tamara Preiss, Fatina Franklin, Steve Morris, Rick Robinson, and Ronald Kaufman of the Wireline Competition Bureau to discuss the above-captioned matter.

On October 24, 2005 Qwest filed an ex parte regarding that meeting.

This ex parte is being submitted to answer Staff questions regarding the October 24, 2005 ex parte and contains "Qwest Depreciation Waiver Meeting FCC Follow-Up Questions" and multiple attachments to that document. Qwest is submitting two versions of this letter and of the attached materials - a "Confidential - Not For Public Inspection" version and a "Redacted - For Public Inspection" copy. Pursuant to FCC Rules 47 C.F.R. §§ 0.457 and 0.459, Qwest requests confidential treatment of the data contained in the "Confidential - Not For Public Inspection" version of this letter and attached materials. The data is financial information which is not available for public inspection and is competitively sensitive information. A release of the data would have a substantial negative competitive impact on Qwest. Qwest provides a justification for such confidential treatment in the attached Appendix. In the redacted version of the ex parte, the attached materials have been designated as "**REDACTED - FOR PUBLIC INSPECTION**" and all of the confidential data has been removed. In the confidential version of

¹ See Public Notice, DA 05-2337, rel. Aug. 22, 2005.

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Ms. Marlene H. Dortch
December 1, 2005

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the ex parte, the attached materials have been designated as **"CONFIDENTIAL – NOT FOR PUBLIC INSPECTION."**

Pursuant to FCC Rule 47 C.F.R. § 1.1206(b)(2), this ex parte presentation is being filed via hand delivery. An original and one copy are being submitted as well as one copy to be stamped as received and returned to the messenger who has been instructed to wait for it.

Please contact the undersigned with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Elly", is positioned below the word "Sincerely,".

Enclosures

cc: Tamara Preiss (Tamara.Preiss@fcc.gov)
Fatina Franklin (Fatina.Franklin@fcc.gov)
Steven Morris (Steve.Morris@fcc.gov)
Richard Robinson (Richard.Robinson@fcc.gov)
Ronald Kaufman (Ronald.Kaufman@fcc.gov)

Appendix

Confidentiality Justification

Qwest requests confidential treatment of the financial information being provided, because it is confidential and proprietary financial information. That information should be afforded confidential treatment under either (or both) 47 C.F.R. § 0.457 and § 0.459.

47 C.F.R. § 0.457

The financial information designated as confidential is confidential and proprietary to Qwest as “trade secrets and commercial or financial information” under Section 0.457(d). Disclosure of such information to the public would risk revealing company-sensitive proprietary information and would have a substantial negative competitive impact on Qwest.

47 C.F.R. § 0.459

The financial information designated as confidential is also subject to protection under 47 C.F.R. § 0.459, as demonstrated below.

Information for which confidential treatment is sought

Qwest requests that the materials attached to the confidential version of this ex parte and designated as “**CONFIDENTIAL – NOT FOR PUBLIC INSPECTION**” be treated on a confidential basis under Exemption 4 of the Freedom of Information Act. Each page of these materials contains confidential and proprietary financial information.

Commission proceeding in which the information was submitted

The information is being submitted in WC Docket No. 05-259, *In the Matter of Petition of Qwest Corporation for Waiver of Depreciation Regulation Pursuant to 47 C.F.R. § 1.3*.

Degree to which the information in question is commercial or financial, or contains a trade secret or is privileged

As noted above, the financial information designated as confidential is detailed confidential commercial financial data and accounting information. Public disclosure of this information would be harmful to Qwest as it is competitively sensitive.

Degree to which the information concerns a service that is subject to competition; and manner in which disclosure of the information could result in substantial competitive harm

This financial information relates to services that are subject to competition, is not made publicly available by Qwest and would generally not be subject to routine public inspection under the Commission's rules (47 C.F.R. § 0.457(d)), demonstrating that the Commission already anticipates that release of this kind of information likely could produce competitive harm.

Measures taken by Qwest to prevent unauthorized disclosure; and availability of the information to the public and extent of any previous disclosure of the information to third parties

Qwest treats this financial information as confidential and has protected it from disclosure to parties outside the company.

Justification of the period during which Qwest asserts that the material should not be available for public disclosure

Qwest cannot determine at this time any date on which this information should not be considered confidential or would become stale for purposes of the current inquiry, except that the information would be handled in conformity with general Qwest records retention policies, absent any continuing legal hold on the data.

Other information that Qwest believes may be useful in assessing whether its request for confidentiality should be granted

Under applicable Commission and court rulings, the information in question should be withheld from public disclosure. Exemption 4 of the Freedom of Information Act shields information that is (1) commercial or financial in nature; (2) obtained from a person outside government; and (3) privileged or confidential. The financial information designated as confidential satisfies this test.

QWEST DEPRECIATION WAIVER MEETING FCC FOLLOW-UP QUESTIONS

1. Asset Retirement Obligation (ARO) - FAS 143

- A. Provide specific journal entries made at the time Qwest adopted FAS 143, January 1, 2003 (day before and day after view of balances).

Response:

FAS 143 Disclosure: The journal entry detail that is provided on the attached documents relates to the adoption of FAS 143 for the RBOC entity. In Qwest's previous ex parte, which was filed on October 24, 2005, it provided amounts that were summarized from a QC (Qwest Communications) 10-K for the year ended December 31, 2003 which also included the Malheur and Qwest Wireless entities. In order to tie the detail from the attached journal entries back to the previously provided table, the table has been updated to include detail for the RBOC entity since the RBOC entity is included in the QC consolidated amounts.

Summary of the FAS 143 Implementation Impact on QCII and QC:

QC	(\$M's) Reported	RBOC Only	
		(\$M's)	Reference
Poles			(1) Attachments 1.A.1, and 1.A.2
Aerial Cable			(1) Attachments 1.A.1, and 1.A.2
Aerial Wire			(1) Attachments 1.A.1, and 1.A.2
Reversal of Excess Removal Costs	365		
Net Asset	5		(2) Attachments 1.A.1, and 1.A.3
Retirement Obligation	-12		(3) Attachments 1.A.1, and 1.A.3
Net Asset Retirement Obligation	-7		
Cumulative Effect	358		(4) Attachments 1.A.1, and 1.A.4
Taxes	-139		(5) Attachment 1.A.4
Net Income Impact	219		(6) Attachment 1.A.4

The attached worksheets tie back to the QC amounts listed above and contain the following information:

***1.A.1:** Journal Entry – Actual entry recorded to recognize the implementation of FAS 143.*

***1.A.2:** Cost of Removal – Calculation of Cost of Removal amounts reversed at implementation.*

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1.A.3: Cumulative Effect – Summary of removal obligations for central offices and equipment rooms.

1.A.4: Tax-Net Effect – Calculation of tax and net income impacts of the FAS 143 implementation.

B. Provide historical Future Net Salvage amounts for the 3 plant accounts that did not have negative net salvage.

Response: See Attachment 1.A.2 for the negative Future Net Salvage amounts for Pole Lines, Aerial Cable (metallic) and Aerial Wire in the column titled "Future Net Salvage %."

2. Investment/Reserve Adjustments.

A. Demonstrate Qwest's methodology of allocating the investment/reserve balance to the state level.

Response: The following outlines the steps of Qwest's process of allocating the FR reserve to the states and the attachments that illustrate the steps.

		Attachment
Step 1:	Calculate theoretical reserve by state using 2005 FR depreciation parameters. Calculations were performed based on 1/1/2004 data for purpose of establishing the theoretical reserve. <u>Theoretical Reserve Calculation</u> $(100-FNS) - ((100-ANS) * (ARL/ASL))$ FNS = Future Net Salvage ANS = Average Net Salvage ARL = Average Remaining Life ASL = Average Service Life	2.A.1
Step 2:	Calculate the account theoretical reserve relationship as a percent of the total for all states. <u>Percent Calculation</u> $\text{Account Theoretical Reserve} / \text{Sum of all States for Same Account}$	2.A.2
Step 3:	Allocate the 1/1/2005 FR book reserve by account based on percentages calculated in Step 2. <u>Allocation Calculation</u> $\text{FR Account Reserve} * \text{State Account Percent from Step 2}$	2.A.3
Examples	Colorado Idaho South Idaho North North Dakota	2.A.4 2.A.5 2.A.6 2.A.7

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- B. Demonstrate what entries Qwest would make if the waiver was granted. As of the effective date (assume 1/1/05), show the implementation entries down to state level. (All Part 32 affected accounts. Day before and day after view of balances.)

Response: The attached worksheets summarize the adjustments necessary to bring Qwest's MR records in line with Qwest's external reporting for issues relating to fixed assets and accumulated depreciation. The worksheets are displayed in ARMIS format and the adjustments are shown at the total company and state level. Colorado, Idaho and North Dakota were chosen as the state examples.

	Attachment
Before and After: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver at a total company level.	2.B.1
Colorado Example: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver for the state of Colorado.	2.B.2
Idaho Example: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver for the state of Idaho.	2.B.3
North Dakota Example: Summarizes the adjustments by impacted ARMIS lines of a 1/1/05 implementation of Qwest's Depreciation waiver for the state of North Dakota.	2.B.4

Additionally, in order to align the MR records with GAAP records for fixed assets and depreciation, the following assignments and/or allocations are required:

Depreciation Adjustments: The adjustment to Accumulated Depreciation was determined by allocating the GAAP Accumulated Depreciation to states. The allocation is based on the state level theoretical reserve. The state theoretical reserve is developed based on GAAP depreciation parameters as of 1/1/2005. Attachments 2.B.2, 2.B.3, and 2.B.4 provide the details of the accumulated depreciation by state.

Property, Plant and Equipment: These adjustments were constructed in two steps. First, GAAP offbook adjustments associated to a specific state were assigned to that state. Second, the remaining offbook balance was allocated to states based on the adjusted MR balance.

Additional Considerations: This includes the impact on deferred income taxes resulting from below the line adjustment and the impact on the jurisdictional accounts resulting from changes in Qwest's MR balances. For purposes of this analysis, income taxes were assessed at 39%. When the final entry is made the general ledger system will calculate a more specific tax amount. The impact on the Jurisdictional accounts, 1500, 4370 and 7910 were calculated at an assumed 75% of the MR changes. This amount will also be mechanically generated when a final transaction is entered.

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3. **Asset Impairment.** Provide an example of a journal entry made to record an asset impairment. Also, provide an example assuming the waiver was granted (Part 32 state example under FAS 144 guidelines).

Response: An example of a journal entry made to record an asset impairment is provided on the attached worksheets. The worksheets detail the transaction booked in the third quarter of 2000 for the impairment of LIS trunking. The attached worksheets are:

	Attachment
Original GAAP Entry: Contains the original entry booked in September of 2000 as well as a description of the impairment.	3.1
LIS Invest by State: September 2000 net LIS investment by state.	3.2
State Level Entry: Example of MR entry that would be required at January 1, 2005 to recognize this impairment at the state level.	3.3
LIS by State at 2004: The unamortized balance of the 2000 impairment at December 2004. The original offbook impairment is being amortized over the life of digital switching.	3.4

Also attached is an example Part 32 transaction assuming Qwest's waiver request is granted.

	Attachment
Waiver GAAP Entry: Example of GAAP entry to reverse the unamortized offbook balance as of December 31, 2004.	3.5

4. **Pole Attachments.** Provide an example of the depreciation rate detail within the pole attachment rate for three states (Colorado, Idaho, and North Dakota). Include projected life, remaining life, salvage, and all other depreciation parameters. Provide detail behind ROR and Tax calculations for Colorado.

Response: An example of the depreciation rate detail for the pole attachments for Colorado, Idaho and North Dakota is provided in Attachment 4.1.

Summary Ref #	Description
(1)	Attachment 1.A.2 (Cost of Removal Calculation)
(1)	Attachment 1.A.2 (Cost of Removal Calculation)
(1)	Attachment 1.A.2 (Cost of Removal Calculation)
(2)	Attachment 1.A.3 (Cumulative Effect)
(2)	Attachment 1.A.3 (Cumulative Effect)
(3)	Attachment 1.A.3 (Cumulative Effect)
(4)	CALC & Attachment 1.A.4

Service Value Calculation FR (Current Parameters)														Rounded Cumulative Effect Adj (\$M)	Ref #
Category	9/30/02 Inv	9/30/02 BK Res	Book Reserve %	Future Gross Salv %	Future Gross COR %	Future Net Salvage %	Total Gross Salv	Total Gross COR	Service Value	Reserve Salv Amount	Reserve COR Amount	Net Negative COR Amount			
	a	b	c=b/a	d	e	f=d-e	g=a*d	h=a*e	i=a*(1-f)	j=b*(g/i)	k=b*(h/i)	l=IF f= neg(k-j)	m=l nearest 10 M		
MOTOR VEHICLES															
AIRCRAFT															
SPEC PURPOSE VEHICLE															
GARAGE WORK EQUIP															
OTHER WORK EQUIP															
BUILDINGS															
FURNITURE															
OFFICE EQUIPMENT															
COMPANY COMM EQUIP															
GEN PURPOSE CMPTR															
ANALOG SW EQUIP															
DIGITAL SW EQUIP															
OPERATOR SYSTEMS															
RADIO SYSTEMS															
CIRCUIT EQUIP															
CIRCUIT DDS															
CIRCUIT DIGITAL															
CIRCUIT ANALOG															
PUBLIC TEL TERM EQUIP															
OTHER TERM EQUIP															
POLE LINES															(1)
AERIAL CABLE MET															(1)
AERIAL CABLE NON MET															
UNDGRD CABLE MET															
UNDGRD CABLE NON MET															
BURIED CABLE MET															
BURIED CABLE NON MET															
SUB CABLE MET															
SUB CABLE NON MET															
INTRA BLDG CA MET															
INTRA BLDG NON MET															
AERIAL WIRE															(1)
CONDUIT SYSTEMS															
TOTAL															

Aerial Wire Rounded to Nearest 5 M

Cost of Removal impacts are based on GAAP cost of removal factors as of December 31, 2002.

For purposes of FAS 143 implementation only accounts with significant cost of removal (i.e. greater than \$20 million) were included.

Cumulative Effect Estimate

The following SFAS 143 obligations were recognized on January 1, 2003:

Entity	Type of Obligation	1-1-03 ARO Obligation (Liability) Source: See Note A	1-1-03 ARO Asset Source: See Note B	1-1-03 Depreciation Reserve Source: See Note C	1-1-03 Asset NBV (ARO Asset - Depr Reserve)
QC	Leased Space-Central Offices	\$	\$	\$	\$
QC	Leased Space-CDOs, Equipment Rooms	\$	\$	\$	\$
Total QWEST		\$	\$	\$	\$

Disclosure (\$M's)
Ref. #

(2)

(3)

**SFAS 143 Cumulative Effect Adjustment
Booked as of January 1, 2003**

	<u>Pre-Tax Cumulative Effect</u>	<u>Tax Rate</u>	<u>Post-Tax Cumulative Effect</u>	<u>Post-Tax Cumulative Effect</u>
USWC - QC	\$		\$	\$
Total QC	\$		\$	\$
	↓		↓	↓
Disclosure (\$M's)				
Ref. #	(4)		(5)	(6)

Theoretical Reserve Allocation by Account

ATTACHMENT 2.A.1

Step: 1 Theoretical Reserve by State																
Category	AZ	CO	IA	ID-N	ID-S	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY	Total Theo Res
MOTOR VEHICLES																
AIRCRAFT																
SPEC PURPOSE VEHICLE																
GARAGE WORK EQUIP																
OTHER WORK EQUIP																
BUILDINGS																
FURNITURE																
OFFICE EQUIPMENT																
COMPANY COMM EQUIP																
GEN PURPOSE CMPTR																
DIGITAL SW EQUIP																
OPERATOR SYSTEMS																
RADIO SYSTEMS																
CIRCUIT EQUIP																
CIRCUIT DDS																
CIRCUIT DIGITAL																
CIRCUIT ANALOG																
OTHER TERM EQUIP																
POLE LINES																
AERIAL CABLE MET																
AERIAL CABLE NON MET																
UNDGRD CABLE MET																
UNDGRD CABLE NON MET																
BURIED CABLE MET																
BURIED CABLE NON MET																
SUB CABLE MET																
SUB CABLE NON MET																
INTRA BLDG CA MET																
INTRA BLDG NON MET																
AERIAL WIRE																
CONDUIT SYSTEMS																
TOTAL																

Theoretical Reserve Allocation by Account

ATTACHMENT 2.A.2

Step: 2 Account Percent of Total by State															
Category	AZ	CO	IA	ID-N	ID-S	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY
MOTOR VEHICLES															
AIRCRAFT															
SPEC PURPOSE VEHICLE															
GARAGE WORK EQUIP															
OTHER WORK EQUIP															
BUILDINGS															
FURNITURE															
OFFICE EQUIPMENT															
COMPANY COMM EQUIP															
GEN PURPOSE CMPTR															
DIGITAL SW EQUIP															
OPERATOR SYSTEMS															
RADIO SYSTEMS															
CIRCUIT EQUIP															
CIRCUIT DDS															
CIRCUIT DIGITAL															
CIRCUIT ANALOG															
OTHER TERM EQUIP															
POLE LINES															
AERIAL CABLE MET															
AERIAL CABLE NON MET															
UNDGRD CABLE MET															
UNDGRD CABLE NON MET															
BURIED CABLE MET															
BURIED CABLE NON MET															
SUB CABLE MET															
SUB CABLE NON MET															
INTRA BLDG CA MET															
INTRA BLDG NON MET															
AERIAL WIRE															
CONDUIT SYSTEMS															

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Theoretical Reserve Allocation by Account

ATTACHMENT 2.A.3

Step 3 FR Allocation																
Category	AZ	CO	IA	ID-N	ID-S	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY	12/31/2004 FR Res
MOTOR VEHICLES																
AIRCRAFT																
SPEC PURPOSE VEHICLE																
GARAGE WORK EQUIP																
OTHER WORK EQUIP																
BUILDINGS																
FURNITURE																
OFFICE EQUIPMENT																
COMPANY COMM EQUIP																
GEN PURPOSE CMPTR																
DIGITAL SW EQUIP																
OPERATOR SYSTEMS																
RADIO SYSTEMS																
CIRCUIT EQUIP																
CIRCUIT DDS																
CIRCUIT DIGITAL																
CIRCUIT ANALOG																
OTHER TERM EQUIP																
POLE LINES																
AERIAL CABLE MET																
AERIAL CABLE NON MET																
UNDGRD CABLE MET																
UNDGRD CABLE NON MET																
BURIED CABLE MET																
BURIED CABLE NON MET																
SUB CABLE MET																
SUB CABLE NON MET																
INTRA BLDG CA MET																
INTRA BLDG NON MET																
AERIAL WIRE																
CONDUIT SYSTEMS																
TOTAL																

COLORADO

ATTACHMENT 2.A.4

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE	AVERAGE REM	AVERAGE NET	FUTURE NET	THEORETICAL RESERVE	
			AMOUNT	PERCENT	LIFE	LIFE	SALVAGE	SALVAGE	AMOUNT	PERCENT
2112	MOTOR VEHICLES									
2113	AIRCRAFT									
2114	SPEC PURPOSE VEHICLE									
2115	GARAGE WORK EQUIP									
2116	OTHER WORK EQUIP									
2121	BUILDINGS									
2122	FURNITURE									
2123.1	OFFICE EQUIPMENT									
2123.2	COMPANY COMM EQUIP									
2124	GEN PURPOSE CMPTR									
2212	DIGITAL SW EQUIP									
2220	OPERATOR SYSTEMS									
2231	RADIO SYSTEMS									
2232	CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
2362	OTHER TERM EQUIP									
2411	POLE LINES									
2421	AERIAL CABLE MET									
2421	AERIAL CABLE NON MET									
2422	UNDGRD CABLE MET									
2422	UNDGRD CABLE NON MET									
2423	BURIED CABLE MET									
2423	BURIED CABLE NON MET									
2424	SUB CABLE MET									
2424	SUB CABLE NON MET									
2426	INTRA BLDG CA MET									
2426	INTRA BLDG NON MET									
2431	AERIAL WIRE									
2441	CONDUIT SYSTEMS									
TOTAL										

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IDAHO - SOUTH

ATTACHMENT 2.A.5

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE	AVERAGE REM	AVERAGE NET	FUTURE NET	THEORETICAL RESERVE	
			AMOUNT	PERCENT	LIFE	LIFE	SALVAGE	SALVAGE	AMOUNT	PERCENT
2112	MOTOR VEHICLES									
2113	AIRCRAFT									
2114	SPEC PURPOSE VEHICLE									
2115	GARAGE WORK EQUIP									
2116	OTHER WORK EQUIP									
2121	BUILDINGS									
2122	FURNITURE									
2123.1	OFFICE EQUIPMENT									
2123.2	COMPANY COMM EQUIP									
2124	GEN PURPOSE CMPTR									
2212	DIGITAL SW EQUIP									
2220	OPERATOR SYSTEMS									
2231	RADIO SYSTEMS									
2232	CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
2362	OTHER TERM EQUIP									
2411	POLE LINES									
2421	AERIAL CABLE MET									
2421	AERIAL CABLE NON MET									
2422	UNDGRD CABLE MET									
2422	UNDGRD CABLE NON MET									
2423	BURIED CABLE MET									
2423	BURIED CABLE NON MET									
2424	SUB CABLE MET									
2424	SUB CABLE NON MET									
2426	INTRA BLDG CA MET									
2426	INTRA BLDG NON MET									
2431	AERIAL WIRE									
2441	CONDUIT SYSTEMS									
TOTAL										

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IDAHO - NORTH

ATTACHMENT 2.A.6

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE LIFE	AVERAGE REM LIFE	AVERAGE NET SALVAGE	FUTURE NET SALVAGE	THEORETICAL RESERVE	
			AMOUNT	PERCENT					AMOUNT	PERCENT
2112	MOTOR VEHICLES									
2113	AIRCRAFT									
2114	SPEC PURPOSE VEHICLE									
2115	GARAGE WORK EQUIP									
2116	OTHER WORK EQUIP									
2121	BUILDINGS									
2122	FURNITURE									
2123.1	OFFICE EQUIPMENT									
2123.2	COMPANY COMM EQUIP									
2124	GEN PURPOSE CMPTR									
2212	DIGITAL SW EQUIP									
2220	OPERATOR SYSTEMS									
2231	RADIO SYSTEMS									
2232	CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
2362	OTHER TERM EQUIP									
2411	POLE LINES									
2421	AERIAL CABLE MET									
2421	AERIAL CABLE NON MET									
2422	UNDGRD CABLE MET									
2422	UNDGRD CABLE NON MET									
2423	BURIED CABLE MET									
2423	BURIED CABLE NON MET									
2424	SUB CABLE MET									
2424	SUB CABLE NON MET									
2426	INTRA BLDG CA MET									
2426	INTRA BLDG NON MET									
2431	AERIAL WIRE									
2441	CONDUIT SYSTEMS									
TOTAL										

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NORTH DAKOTA

ATTACHMENT 2.A.7

ACCOUNT	CATEGORY	1/1/2004 INVESTMENT	BOOK RESERVE		AVERAGE SERVICE	AVERAGE REM	AVERAGE NET	FUTURE NET	THEORETICAL RESERVE	
			AMOUNT	PERCENT	LIFE	LIFE	SALVAGE	SALVAGE	AMOUNT	PERCENT
2112	MOTOR VEHICLES									
2113	AIRCRAFT									
2114	SPEC PURPOSE VEHICLE									
2115	GARAGE WORK EQUIP									
2116	OTHER WORK EQUIP									
2121	BUILDINGS									
2122	FURNITURE									
2123.1	OFFICE EQUIPMENT									
2123.2	COMPANY COMM EQUIP									
2124	GEN PURPOSE CMPTR									
2212	DIGITAL SW EQUIP									
2220	OPERATOR SYSTEMS									
2231	RADIO SYSTEMS									
2232	CIRCUIT EQUIP									
	CIRCUIT DDS									
	CIRCUIT DIGITAL									
	CIRCUIT ANALOG									
2362	OTHER TERM EQUIP									
2411	POLE LINES									
2421	AERIAL CABLE MET									
2421	AERIAL CABLE NON MET									
2422	UNDGRD CABLE MET									
2422	UNDGRD CABLE NON MET									
2423	BURIED CABLE MET									
2423	BURIED CABLE NON MET									
2424	SUB CABLE MET									
2424	SUB CABLE NON MET									
2426	INTRA BLDG CA MET									
2426	INTRA BLDG NON MET									
2431	AERIAL WIRE									
2441	CONDUIT SYSTEMS									
TOTAL										

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Qwest Corporation

Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

ATTACHMENT 2.B.1

			Total Company	
			ARMIS (Reported)	ARMIS (Post Waiver)
TABLE B-1 - BALANCE SHEET ACCOUNTS (Dollars in thousands)			MR to GAAP Adjustments	
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
1220	Inventories	77,193		
1500	Other jurisdictional assets-net	142,850		
Row/ Acct. No.	Account Title (aa)	Ending Balance (af)	Ending Balance (af)	Ending Balance (af)
2001	Telecommunications plant in service (TPIS)	43,066,456		
2002	Property held for future telecom. use (PHFTU)	0		
2003	Telecommunications plant under construction (TPUC)	107,034		
2005	Telecommunications plant adjustment	0		
2006	Nonoperating plant	5,944		
2007	Goodwill	0		
210	Total Plant	43,179,434		
TPIS - General Support				
2111	Land	100,674		
2112	Motor vehicles	371,554		
2113	Aircraft	1,875		
2114	Tools and other work equipment	294,521		
2121	Buildings	2,784,408		
2122	Furniture	4,294		
2123	Office equipment	65,660		
2124	General purpose computers	1,424,541		
2110	Land and Support Assets	5,047,528		
TPIS - Central Office				
2211	Non-digital switching	0		
2212.1	Circuit switching	7,241,474		
2212.2	Packet switching	227,496		
2212	Digital electronic switching	7,468,970		
2210	Central Office-Switching	7,468,970		
2220	Operator Systems	18,790		
2231	Radio systems	233,668		
2232.1	Electronic circuit	10,583,363		
2232.2	Optical circuit	0		
2232	Circuit equipment	10,583,363		
2230	Central Office-Transmission	10,817,031		
TPIS - Information Origination/Termination				
2311	Station apparatus	35,985		
2321	Customer premises wiring	0		
2341	Large private branch exchanges	25		
2351	Public telephone terminal equipment	0		
2362	Other terminal equipment	408,520		
2310	Information Origination/Termination	444,531		
TPIS - Cable & Wire				
2411	Poles	261,604		
2421	Aerial cable	1,344,880		
2422	Underground cable	3,461,019		
2423	Buried cable	10,574,847		
2424	Submarine and deep sea cable	11,691		
2426	Intrabuilding network cable	389,176		
2431	Aerial wire	43,544		
2441	Conduit systems	2,281,996		
2410	Cable and Wire Facilities	18,368,757		
240	Total TPIS (before amortizable assets)	42,165,606		
TPIS - Amortizable Assets				
2681	Capital leases	34,815		
2682	Leasehold Improvements	57,488		
2680	Amortizable Tangible Assets	92,302		
2690.1	Network software	163,388		

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Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

		ARMIS (Reported)	Total Company MR to GAAP Adjustments	ARMIS (Post Waiver)
2690.2	General purpose computer software	645,160		
2690	Intangibles	808,548		
260	Total TPIS	43,066,456		
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
3100	Accumulated depreciation	27,115,733		
3200	Accumulated depreciation - PHFTU	0		
3300	Accumulated depreciation - nonoperating	161		
3410	Accumulated amortization - capitalized leases	14,313		
340	Total Depreciation and Amortization	27,130,207		
350	Net Plant	16,049,227		
360	Total Assets	19,771,737		
4340	Net noncurrent deferred operating income taxes	2,486,396		
4341	Net deferred tax liability adjustments	-121,377		
4350	Net noncurrent deferred nonoperating income taxes	13,759		
4361	Deferred tax regulatory adjustment - net	121,377		
4370	Other jurisdictional liabilities/deferred credits-net	-33,717		
Stockholders' Equity				
4550	Retained earnings	-6,619,587		
450	Total Liabilities and Stockholders' Equity	19,771,739		

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Qwest Corporation

Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

Total Company

ARMIS
(Reported)

MR to GAAP
Adjustments

ARMIS
(Post Waiver)

TABLE I-1 - INCOME STATEMENT ACCOUNTS
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net Income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

(Dollars in thousands)

Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	261,157		
110	Aircraft	848		
120	Tools and other work equipment	84,174		
150	Buildings	803,305		
160	Furniture	2,775		
180	Office equipment	58,522		
200	General purpose computers	1,391,103		
210	Total Support Assets	2,601,884		
220	Non-digital switching	-39,191		
235	Digital electronic switching - circuit	4,115,975		
237	Digital electronic switching - packet	92,644		
270	Total Central Office Switching	4,169,428		
280	Operator systems	10,874		
290	Radio systems	206,304		
305	Circuit equipment - electronic	7,720,645		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	7,926,949		
330	Station apparatus	15,615		
340	Customer premises wiring	0		
350	Large private branch exchanges	-1,379		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	240,023		
380	Total Information Origination/Termination	254,259		
390	Poles	327,327		
400	Aerial cable	1,055,327		
410	Underground cable	2,405,632		
420	Buried cable	7,213,890		
430	Submarine & deep sea cable	8,524		
450	Intrabuilding network cable	336,420		
460	Aerial wire	70,762		
470	Conduit systems	734,457		
480	Total Cable and Wire Facilities	12,152,339		
490	Total Accumulated Depreciation	27,115,733		

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Qwest Corporation

Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

ARMIS
(Pre-Waiver)

Colorado
MR to GAAP
Adjustments

ARMIS
(Post Waiver)

TABLE B-1 - BALANCE SHEET ACCOUNTS
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
1220	Inventories	52,926		
1500	Other jurisdictional assets-net	331,108		
Row/ Acct. No.	Account Title (aa)	Ending Balance (af)	Ending Balance (af)	Ending Balance (af)
2001	Telecommunications plant in service (TPIS)	8,193,830		
2002	Property held for future telecom. use (PHFTU)	0		
2003	Telecommunications plant under construction (TPUC)	18,246		
2005	Telecommunications plant adjustment	0		
2006	Nonoperating plant	1,308		
2007	Goodwill	0		
210	Total Plant	8,213,384		
TPIS - General Support				
2111	Land	19,428		
2112	Motor vehicles	71,925		
2113	Aircraft	1,875		
2114	Tools and other work equipment	61,790		
2121	Buildings	654,421		
2122	Furniture	620		
2123	Office equipment	15,671		
2124	General purpose computers	624,143		
2110	Land and Support Assets	1,449,873		
TPIS - Central Office				
2211	Non-digital switching	0		
2212.1	Circuit switching	1,178,211		
2212.2	Packet switching	39,463		
2212	Digital electronic switching	1,217,674		
2210	Central Office-Switching	1,217,674		
2220	Operator Systems	2,556		
2231	Radio systems	34,694		
2232.1	Electronic circuit	2,000,701		
2232.2	Optical circuit	0		
2232	Circuit equipment	2,000,701		
2230	Central Office-Transmission	2,035,395		
TPIS - Information Origination/Termination				
2311	Station apparatus	1,881		
2321	Customer premises wiring	0		
2341	Large private branch exchanges	0		
2351	Public telephone terminal equipment	0		
2362	Other terminal equipment	69,754		
2310	Information Origination/Termination	71,635		
TPIS - Cable & Wire				
2411	Poles	31,434		
2421	Aerial cable	226,956		
2422	Underground cable	645,854		
2423	Buried cable	1,849,387		
2424	Submarine and deep sea cable	83		
2426	Intrabuilding network cable	75,274		
2431	Aerial wire	8,918		
2441	Conduit systems	396,665		
2410	Cable and Wire Facilities	3,234,571		
240	Total TPIS (before amortizable assets)	8,011,704		
TPIS - Amortizable Assets				
2681	Capital leases	10,683		
2682	Leasehold Improvements	23,071		

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Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

Impacts of Depreciation Waiver		ARMIS (Pre-Waiver)	GAAP (Pre-Waiver)	ARMIS (Post Waiver)
Assuming 1/1/05 Implementation				
2680	Amortizable Tangible Assets	33,754		
2690.1	Network software	33,088		
2690.2	General purpose computer software	115,284		
2690	Intangibles	148,372		
260	Total TPIS	8,193,830		
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
3100	Accumulated depreciation	4,879,026		
3200	Accumulated depreciation - PHFTU	0		
3300	Accumulated depreciation - nonoperating	0		
3410	Accumulated amortization - capitalized leases	5,429		
340	Total Depreciation and Amortization	4,884,455		
350	Net Plant	3,328,929		
360	Total Assets	5,951,727		
4340	Net noncurrent deferred operating income taxes	587,548		
4341	Net deferred tax liability adjustments	-38,690		
4350	Net noncurrent deferred nonoperating income taxes	11,851		
4361	Deferred tax regulatory adjustment - net	38,690		
4370	Other jurisdictional liabilities/deferred credits-net	123,596		
Stockholders' Equity				
4550	Retained earnings	3,045,261		
450	Total Liabilities and Stockholders' Equity	5,951,727		

Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

Colorado

ARMIS
(Pre-Waiver)MR to GAAP
AdjustmentsARMIS
(Post Waiver)TABLE I-1 - INCOME STATEMENT ACCOUNTS
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net Income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

(Dollars in thousands)

Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	60,032		
110	Aircraft	848		
120	Tools and other work equipment	18,176		
150	Buildings	191,214		
160	Furniture	182		
180	Office equipment	14,821		
200	General purpose computers	603,407		
210	Total Support Assets	888,680		
220	Non-digital switching	-3,710		
235	Digital electronic switching - circuit	561,983		
237	Digital electronic switching - packet	14,707		
270	Total Central Office Switching	572,980		
280	Operator systems	1,443		
290	Radio systems	32,001		
305	Circuit equipment - electronic	1,368,399		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	1,400,400		
330	Station apparatus	716		
340	Customer premises wiring	0		
350	Large private branch exchanges	-1,404		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	31,071		
380	Total Information Origination/Termination	30,383		
390	Poles	38,765		
400	Aerial cable	176,381		
410	Underground cable	447,754		
420	Buried cable	1,111,228		
430	Submarine & deep sea cable	62		
450	Intrabuilding network cable	68,912		
460	Aerial wire	22,575		
470	Conduit systems	119,463		
480	Total Cable and Wire Facilities	1,985,140		
490	Total Accumulated Depreciation	4,879,026		

REDACTED - FOR PUBLIC INSPECTION

Qwest Corporation**Impacts of Depreciation Waiver****Assuming 1/1/05 Implementation****TABLE B-1 - BALANCE SHEET ACCOUNTS**
(Dollars in thousands)

			Idaho	
			ARMIS (Pre-Waiver)	ARMIS (Post Waiver)
			MR to GAAP Adjustments	
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
1220	Inventories	941		
1500	Other jurisdictional assets-net	-35,037		
Row/ Acct. No.	Account Title (aa)	Ending Balance (af)	Ending Balance (af)	Ending Balance (af)
2001	Telecommunications plant in service (TPIS)	1,279,731		
2002	Property held for future telecom. use (PHFTU)	0		
2003	Telecommunications plant under construction (TPUC)	1,554		
2005	Telecommunications plant adjustment	0		
2006	Nonoperating plant	31		
2007	Goodwill	0		
210	Total Plant	1,281,316		
TPIS - General Support				
2111	Land	1,367		
2112	Motor vehicles	10,884		
2113	Aircraft	0		
2114	Tools and other work equipment	6,034		
2121	Buildings	47,421		
2122	Furniture	30		
2123	Office equipment	758		
2124	General purpose computers	12,967		
2110	Land and Support Assets	79,461		
TPIS - Central Office				
2211	Non-digital switching	0		
2212.1	Circuit switching	212,325		
2212.2	Packet switching	10,799		
2212	Digital electronic switching	223,124		
2210	Central Office-Switching	223,124		
2220	Operator Systems	7		
2231	Radio systems	7,862		
2232.1	Electronic circuit	306,442		
2232.2	Optical circuit	0		
2232	Circuit equipment	306,442		
2230	Central Office-Transmission	314,304		
TPIS - Information Origination/Termination				
2311	Station apparatus	0		
2321	Customer premises wiring	0		
2341	Large private branch exchanges	0		
2351	Public telephone terminal equipment	0		
2362	Other terminal equipment	8,352		
2310	Information Origination/Termination	8,352		
TPIS - Cable & Wire				
2411	Poles	5,829		
2421	Aerial cable	29,253		
2422	Underground cable	82,934		
2423	Buried cable	442,267		
2424	Submarine and deep sea cable	174		
2426	Intrabuilding network cable	7,464		
2431	Aerial wire	824		
2441	Conduit systems	48,344		
2410	Cable and Wire Facilities	617,089		

REDACTED - FOR PUBLIC INSPECTION

Qwest Corporation**Impacts of Depreciation Waiver****Assuming 1/1/05 Implementation**

		Idaho		
		ARMIS (Pre-Waiver)	MR to GAAP Adjustments	ARMIS (Post Waiver)
240	Total TPIS (before amortizable assets)	1,242,337		
TPIS - Amortizable Assets				
2681	Capital leases	5,449		
2682	Leasehold Improvements	3,853		
2680	Amortizable Tangible Assets	9,302		
2690.1	Network software	8,599		
2690.2	General purpose computer software	19,493		
2690	Intangibles	28,092		
260	Total TPIS	1,279,731		
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
3100	Accumulated depreciation	835,188		
3200	Accumulated depreciation - PHFTU	0		
3300	Accumulated depreciation - nonoperating	0		
3410	Accumulated amortization - capitalized leases	3,172		
340	Total Depreciation and Amortization	838,360		
350	Net Plant	442,956		
360	Total Assets	1,235,031		
4340	Net noncurrent deferred operating income taxes	51,206		
4341	Net deferred tax liability adjustments	-8,034		
4350	Net noncurrent deferred nonoperating income taxes	-2		
4361	Deferred tax regulatory adjustment - net	8,034		
4370	Other jurisdictional liabilities/deferred credits-net	-9,316		
Stockholders' Equity				
4550	Retained earnings	799,018		
450	Total Liabilities and Stockholders' Equity	1,235,031		

REDACTED - FOR PUBLIC INSPECTION

Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

Idaho

ARMIS
(Pre-Waiver)MR to GAAP
AdjustmentsARMIS
(Post Waiver)**TABLE I-1 - INCOME STATEMENT ACCOUNTS**
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net Income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
(Dollars in thousands)

Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	8,842		
110	Aircraft	0		
120	Tools and other work equipment	1,696		
150	Buildings	15,473		
160	Furniture	31		
180	Office equipment	754		
200	General purpose computers	11,657		
210	Total Support Assets	38,453		
220	Non-digital switching	310		
235	Digital electronic switching - circuit	110,997		
237	Digital electronic switching - packet	6,007		
270	Total Central Office Switching	117,314		
280	Operator systems	7		
290	Radio systems	6,876		
305	Circuit equipment - electronic	244,535		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	251,411		
330	Station apparatus	-336		
340	Customer premises wiring	0		
350	Large private branch exchanges	0		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	6,354		
380	Total Information Origination/Termination	6,018		
390	Poles	9,720		
400	Aerial cable	19,062		
410	Underground cable	61,451		
420	Buried cable	307,298		
430	Submarine & deep sea cable	143		
450	Intrabuilding network cable	5,766		
460	Aerial wire	1,406		
470	Conduit systems	17,139		
480	Total Cable and Wire Facilities	421,985		
490	Total Accumulated Depreciation	835,188		

REDACTED - FOR PUBLIC INSPECTION

Qwest Corporation**Impacts of Depreciation Waiver**

Assuming 1/1/05 Implementation

North Dakota

ARMIS
(Pre-Waiver)MR to GAAP
AdjustmentsARMIS
(Post Waiver)**TABLE B-1 - BALANCE SHEET ACCOUNTS**
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
1220	Inventories	153		
1500	Other jurisdictional assets-net	-27,231		
Row/ Acct. No.	Account Title (aa)	Ending Balance (af)	Ending Balance (af)	Ending Balance (af)
2001	Telecommunications plant in service (TPIS)	550,532		
2002	Property held for future telecom. use (PHFTU)	0		
2003	Telecommunications plant under construction (TPUC)	721		
2005	Telecommunications plant adjustment	0		
2006	Nonoperating plant	301		
2007	Goodwill	0		
210	Total Plant	551,554		
TPIS - General Support				
2111	Land	1,905		
2112	Motor vehicles	3,531		
2113	Aircraft	0		
2114	Tools and other work equipment	4,498		
2121	Buildings	38,890		
2122	Furniture	0		
2123	Office equipment	250		
2124	General purpose computers	5,849		
2110	Land and Support Assets	54,923		
TPIS - Central Office				
2211	Non-digital switching	0		
2212.1	Circuit switching	108,286		
2212.2	Packet switching	3,004		
2212	Digital electronic switching	111,290		
2210	Central Office-Switching	111,290		
2220	Operator Systems	58		
2231	Radio systems	494		
2232.1	Electronic circuit	119,790		
2232.2	Optical circuit	0		
2232	Circuit equipment	119,790		
2230	Central Office-Transmission	120,284		
TPIS - Information Origination/Termination				
2311	Station apparatus	0		
2321	Customer premises wiring	0		
2341	Large private branch exchanges	0		
2351	Public telephone terminal equipment	0		
2362	Other terminal equipment	5,010		
2310	Information Origination/Termination	5,010		
TPIS - Cable & Wire				
2411	Poles	1,635		
2421	Aerial cable	7,929		
2422	Underground cable	32,341		
2423	Buried cable	180,741		
2424	Submarine and deep sea cable	65		
2426	Intrabuilding network cable	6,389		
2431	Aerial wire	7		
2441	Conduit systems	18,126		
2410	Cable and Wire Facilities	247,233		

REDACTED - FOR PUBLIC INSPECTION

Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

			North Dakota	
			MR to GAAP Adjustments	ARMIS (Post Waiver)
240	Total TPIS (before amortizable assets)	ARMIS (Pre-Waiver) 538,798		
TPIS - Amortizable Assets				
2681	Capital leases	0		
2682	Leasehold Improvements	84		
2680	Amortizable Tangible Assets	84		
2690.1	Network software	2,925		
2690.2	General purpose computer software	8,725		
2690	Intangibles	11,650		
260	Total TPIS	550,532		
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
3100	Accumulated depreciation	411,702		
3200	Accumulated depreciation - PHFTU	0		
3300	Accumulated depreciation - nonoperating	0		
3410	Accumulated amortization - capitalized leases	0		
340	Total Depreciation and Amortization	411,702		
350	Net Plant	139,852		
360	Total Assets	441,639		
4340	Net noncurrent deferred operating income taxes	9,839		
4341	Net deferred tax liability adjustments	3,827		
4350	Net noncurrent deferred nonoperating income taxes	260		
4361	Deferred tax regulatory adjustment - net	-3,827		
4370	Other jurisdictional liabilities/deferred credits-net	-11,267		
Stockholders' Equity				
4550	Retained earnings	333,698		
450	Total Liabilities and Stockholders' Equity	441,639		

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Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

North Dakota

ARMIS
(Pre-Waiver)MR to GAAP
AdjustmentsARMIS
(Post Waiver)

TABLE I-1 - INCOME STATEMENT ACCOUNTS

(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net Income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

(Dollars in thousands)

Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	2,838		
110	Aircraft	0		
120	Tools and other work equipment	1,939		
150	Buildings	13,365		
160	Furniture	0		
180	Office equipment	225		
200	General purpose computers	5,607		
210	Total Support Assets	23,974		
220	Non-digital switching	-1,060		
235	Digital electronic switching - circuit	79,839		
237	Digital electronic switching - packet	1,703		
270	Total Central Office Switching	80,482		
280	Operator systems	-49		
290	Radio systems	693		
305	Circuit equipment - electronic	102,067		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	102,760		
330	Station apparatus	-3		
340	Customer premises wiring	0		
350	Large private branch exchanges	0		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	4,108		
380	Total Information Origination/Termination	4,105		
390	Poles	2,700		
400	Aerial cable	8,846		
410	Underground cable	30,216		
420	Buried cable	143,421		
430	Submarine & deep sea cable	60		
450	Intrabuilding network cable	5,954		
460	Aerial wire	24		
470	Conduit systems	9,209		
480	Total Cable and Wire Facilities	200,430		
490	Total Accumulated Depreciation	411,702		

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TAP/GL ONLINES DETAIL REPORT

FR Only
(Actual Entry)

Description of LIS Trunking: LIS (Local Interconnection Service) provides dedicated trunk service between a CLEC and either a Qwest end office or local tandem. The scope of the impairment analysis was working trunks dedicated to providing LIS. The dedicated investment was predominantly switching. Impairment was determined based on the projected net incremental revenue stream (LIS revenue less associated expense) over the life of the dedicated PP&E investment.

LIS Trunking Infrastructure Investment (\$)

	1997 LIS Additions	1998 LIS Additions	1999 LIS Additions	2000 LIS Additions (Thru 6/26/00)	Total LIS Trunks In Service	Net Book Value
ARIZONA						
COLORADO						
IOWA						
IDAHO						
MINNESOTA						
MONTANA						
NORTH DAKOTA						
NEBRASKA						
NEW MEXICO						
OREGON						
SOUTH DAKOTA						
UTAH						
WASHINGTON						
WYOMING						
Total						

Determination of Average Age of Investment

% of Total
Age (Years)
Weighting

Average Age of LIS Trunking Investment (Years)

Determination of Investment Distribution & Amortization Period

	% of Investment	Portion of Invest
Digital Switch		
Fiber		

Impairment Amortization Period

Depreciable Life - Dig Sw
Ave Age of LIS Invest

Amortization Period (Years)

Annual Amortization Amount (\$)

Sample MR State Level PAS 144 Entry Assuming Waiver is Granted

TAP/GL ONLINES DETAIL REPORT

MR Entry
(example)

Allocation of LIS Trunking Impairment to State
Based on Remaining Impairment Balance as of 12/31/2004
(Impairment booked to Digital Switch Account 2212.1)

	2000 LIS Investment NBV	12/31/2004 Remaining Impairment Balance	Allocation of 12/31/2004 Impairment Balance to State
ARIZONA			
COLORADO			
IOWA			
IDAHO			
MINNESOTA			
MONTANA			
NORTH DAKOTA			
NEBRASKA			
NEW MEXICO			
OREGON			
SOUTH DAKOTA			
UTAH			
WASHINGTON			
WYOMING			
Total			(1)

Calculation of Remaining Impairment

Original Impairment	
Amortization	
2000	
2001	
2002	
2003	
2004	
Total	
Remaining Impairment	(1)

Sample MR State Level FAS 144 Entry Assuming Waiver Is Granted

TAP/GL ONLINES DETAIL REPORT

FR Only
(example)

[illegible]